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March 31, 2017

**Filed Via Delafile**

Donna Nickerson  
Secretary  
Delaware Public Service Commission  
861 Silver Lake Boulevard  
Cannon Building, Suite 100  
Dover, DE 19904

Re: Docket No. 14-193 – Compliance Filing Per Paragraphs 4 and 5 of  
Exhibit A to Order No. 8952

Dear Ms. Nickerson:

Pursuant to the requirements of Paragraph 4 and 5 of Exhibit A to PSC Order No. 8952 in the above referenced docket, enclosed please find the report of Delmarva Power & Light Company regarding employment levels and workforce diversity efforts for 2016.

Should you have any questions, please do not hesitate to contact me at 302-429-3143 or Heather Hall at 302- 451-5325.

Respectfully submitted,

  
Pamela J. Scott

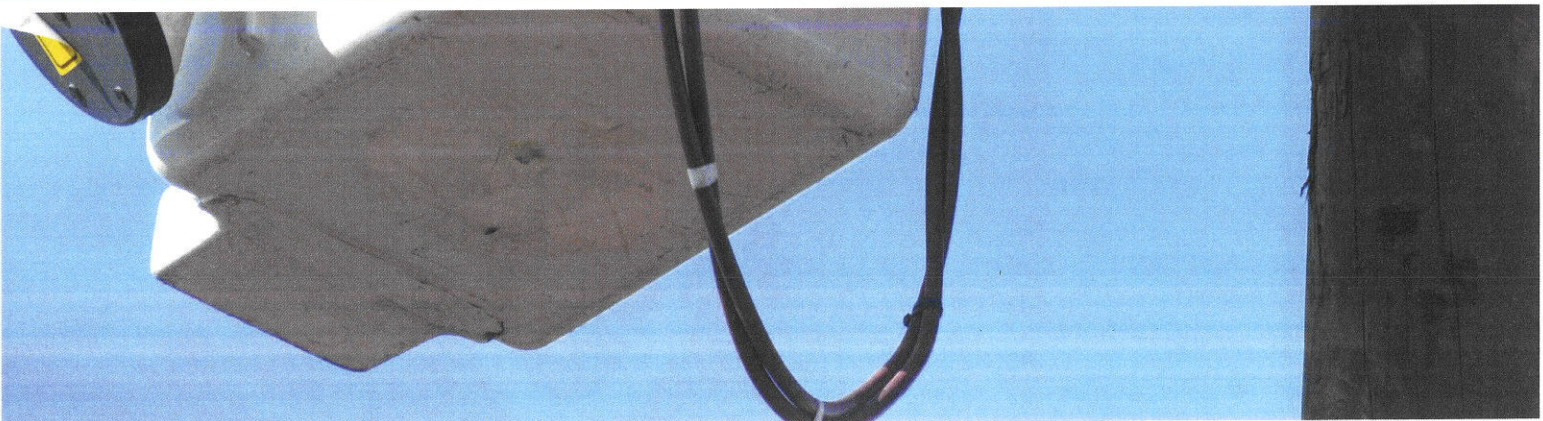
Enclosure

cc: Heather Hall (w/enclosure)  
Lisa Decker, Esquire (w/enclosure)





**DELMARVA POWER & LIGHT COMPANY**  
**2016 Annual Employment and Workforce Diversity Report**





## Executive Summary

This document constitutes the first of five annual reports presenting detailed employment data and workforce development initiatives for Delmarva Power & Light Company ("Delmarva Power" or the "Company"). It has been developed in response to Paragraph 4 of Exhibit A to Commission Order No. 8952 of the Public Service Commission of the State of Delaware (the "Merger Commitments"). Employment data included in this document covers the period between March 24, 2016 and December 31, 2016 for any full-time or part-time Delmarva Power employee with a work location in Delaware. In an effort to provide a detailed breakdown of employment data, job losses and gains are delineated in this report using U.S. Equal Employment Opportunity Commission job classification codes for union (Local 1900) and management employees.

### Delmarva Power Employment Levels

Table 1 shows Merger related and non-Merger related changes in employment between March 24, 2016 and December 31, 2016.

*Table 1: Delmarva Power Employee Headcount Change by EEOC Code*

EEOC Code	Headcount as of 3/24	Attrition				Hires	Location Change	Headcount as of 12/31
		Merger Related		Non-Merger Related				
		Vol.	Invol.	Vol.	Invol.			
Local 1238	355	-	-	-9	-4	9	2	353
Craft Workers (skilled)	217			-6	-1	1	5	216
Laborers (unskilled)	1							1
Office and Clerical	68			-2		1	2	69
Operatives (semi-skilled)	30				-2	5	-6	27
Service Workers	4					1		5
Technicians	35			-1	-1	1	1	35
Local 1307	56	-	-	-4	-	2	5	59
Craft Workers (skilled)	36			-4			6	38
Office and Clerical	8					2	-2	8
Operatives (semi-skilled)	4						1	5
Technicians	8							8
Management	189	-3	-1	-4	-2	5	-3	181
Office and Clerical	8	-1						7
Officials and Managers	68	-2		-2			-3	61
Professionals	113		-1	-2	-2	5	2	113
Delmarva Power Total	600	-3	-1	-17	-6	16	4	593

Headcount at Delmarva Power dropped by 7 employees, from 600 to 593, over the reporting period.

A total of 16 employees were hired, with Local 1238 and Local 1307 employees accounting for 11 (or 69%) of those hired. Delmarva Power gained an additional 2 employees when accounting for the net number of employees who moved to a work location in Delaware. These headcount gains were more than offset by attrition occurring as a result of 27 terminations.

A total of 27 employees were lost to attrition, with 85% (23 of 27) of these employees leaving due to normal business attrition (i.e., not related to the Merger), including 17 employees who left voluntarily, 5 employees who were terminated due to rules violations, and 1 employee who was terminated for unsatisfactory performance. Another 4 employees were terminated as a result of the Merger (3 voluntarily and 1 involuntarily). Of the 17 employees who voluntarily left as part of non-Merger related attrition, 14 employees retired and 3 employees left for personal/family reasons.

Employee location changes within the family of Pepco Holdings LLC ("PHI") companies increased headcount at Delmarva Power by 4 employees. There was a net increase of 7 Local 1238 and Local 1307 employees resulting from the movement of employees to Delmarva Power from a location outside Delaware and/or from a different PHI company, which offsets the net decrease of 3 management employees.

The 11 union employees hired through December 31 account for 13% percent of the 83 employees that Delmarva Power must use its best efforts to hire into Local 1238 and Local 1307 within two years of Merger consummation.

#### **Delmarva Power Workforce Development**

Delmarva Power recognizes the need to maintain a skilled workforce in order to provide safe and reliable service to its customers. To achieve this goal, Delmarva Power undertook recruitment activities in 2016 in order to fill openings throughout the year, worked to maintain existing employee retention and develop the skills of existing employees through the implementation of existing PHI practices and new practices utilized at Exelon Utilities operating companies, and worked with Delaware stakeholders to identify and recommend initiatives aimed at developing skills in Delaware residents that align with those needed at Delmarva Power.

In 2016, Delmarva Power recruiters engaged in outreach in Delaware at 28 events to identify candidates for open positions. The majority of this outreach was conducted through job fair participation. Recruiters also maintained relationships with 242 agencies and organizations across five states and the District of Columbia that receive job postings for open positions at Delmarva Power. Additionally, 1 high school and 35 college interns were hired in Delaware in 2016 as part of internship programs conducted by PHI.

In 2016, in accordance with the Merger Commitments, PHI began exploring targeted development initiatives with Delaware stakeholders with the aim of developing the skills required of candidates for jobs at Delmarva Power and promoting employment throughout Delaware. PHI will initiate, implement and fund the following initiatives:

- Career Pathways Program at Delaware Technical & Community College
- Career Pathways Program at Delaware State University
- Youth Workforce Development at United Way, and
- High School Scholarships through the Boys and Girls Club in Delaware.



PHI also focused on further developing current employees at the Company through participation in employee development and apprenticeship programs in 2016. Twelve training and leadership development programs were offered with Delmarva Power employees participating in a program over 1,800 times during the year.

Finally, three Employee Resource Group ("ERG") chapters were chartered by current employees at Delmarva Power in 2016. Exelon Utilities promotes and supports nine ERGs as part of its strategy to promote a diverse and inclusive work environment. Employees at the company's utility operating companies, including the PHI utilities can initiate chapters and volunteer to lead these grass roots groups. This is an initiative that promotes groups that serve as diverse forums for professional development, cultural education, and community involvement and allows employees to seek advice and guidance from their coworkers.



# Contents

Executive Summary .....	2
1 Introduction.....	6
1.1 Terms and Conditions of the Merger .....	6
1.2 Scope of this Report .....	6
2 Delmarva Power Employment Levels.....	9
2.1 Employee Hires.....	10
2.2 Employee Attrition .....	12
2.3 Employee Work Location Changes .....	13
2.4 Employment Trends in Early 2017.....	14
3 Workforce Development.....	16
3.1 Near-Term Workforce Pipeline Initiatives.....	16
3.1.1 Delmarva Power Outreach Activities.....	16
3.2 Mid-Term Workforce Pipeline Initiatives .....	19
3.2.1 PHI College and High School Internship Programs.....	19
3.3 Developing Future Workforce Pipeline Initiatives (Long-Term).....	20
3.3.1 Career Pathways Program at Delaware Technical & Community College .....	20
3.3.2 Career Pathways Program at Delaware State University .....	21
3.3.3 Youth Workforce Development.....	21
3.3.4 High School Scholarships .....	21
3.4 Employee Retention and Development .....	21
3.4.1 Employee Resource Groups.....	21
3.4.2 Training and Leadership Development .....	22
4 Conclusion .....	24
Appendix A: Delaware Agencies Receiving Delmarva Power Job Postings.....	25
Appendix B: Delmarva Power Workforce Diversity Report.....	26



# 1 Introduction

## 1.1 Terms and Conditions of the Merger

This document presents the Delmarva Power & Light Company (“Delmarva Power” or the “Company”) 2016 Annual Employment Report for Delaware (the “Report”), which has been developed in response to Paragraph 4 of Exhibit A to Order No. 8952 of the Delaware Public Service Commission (“Commission”), Docket No. 14-193 on October 18, 2016 (the “Merger Commitments”).

Paragraph 4 of the Merger Commitments states as follows:

Delmarva Power shall, on an annual basis for the first five (5) years after Merger close, file a report with the Commission by April 1, beginning in 2017, regarding employment levels at Delmarva Power during the prior calendar year. The reports shall detail any job losses – including whether the attrition was involuntary or voluntary – as well as any job gains, delineated using an industry-accepted categorization method such as by SAIC code.

## 1.2 Scope of this Report

This report includes Delmarva Power employment level data for the period covering March 24, 2016 through December 31, 2016. For the purposes of this Report, a Delmarva Power employee is any full-time or part-time employee with a work location in Delaware. Employment data for the following are considered outside the scope of the Merger Commitments and, therefore, not included in this Report:

- Temporary employees, interns<sup>1</sup>, and employees on long-term disability at Delmarva Power; and
- Employees of Pepco Energy Services, PHI Service Company, Exelon or any other related companies.

Job losses and gains are delineated in this Report using U.S. Equal Employment Opportunity Commission (“EEOC”) job classification codes. EEOC codes are an industry-accepted categorization method used by Delmarva Power to track employees and provide more granularity than some of the other classification systems used within the industry, including Standard Industrial Classification system. Data will be provided for the following EEOC codes:

- Union (Local 1238)
  - Craft Workers (skilled)
  - Laborers (unskilled)
  - Office and Clerical
  - Operatives (semi-skilled)
  - Service Workers
  - Technicians
- Union (Local 1307)
  - Craft Workers (skilled)
  - Office and Clerical
  - Operatives (semi-skilled)

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<sup>1</sup> While headcount data for interns is not included in this Report, discussion around intern programs is included to provide background on employment interest in the Company.



- Technicians
- Management
  - Office and clerical
  - Officials and managers
  - Professionals

In addition to providing the employment data called for in the Merger Commitments, this Report provides an overview of the workforce development initiatives undertaken in 2016 to fill vacant positions, and discusses the planning currently under way to identify and develop additional initiatives in order to ensure that a viable, well-qualified candidate pipeline exists in 2017 and beyond, as called for in Paragraph 8 of the Amended Settlement Agreement approved by the Commission in Order No. 8746, Docket No. 14-193, June 2, 2015 (the “Settlement Agreement”) (see Table 2 for Settlement Agreement details).

This Report also discusses progress in hiring the 83 full-time union workers (as a minimum) in Delaware called for in Paragraph 4 of the Settlement Agreement (see Table 2 below for Settlement Agreement details).

It should be noted that the plans for new initiatives in 2017 and beyond discussed in this Report are still in the exploratory phase and cannot be agreed upon until the appropriate arrangements with external parties have been agreed upon and funding has been identified.

*Table 2: Additional Conditions of Settlement Agreement Addressed in this Report*

**Paragraph 4 (Labor, Employment and Compensation Protections) of Settlement Agreement**

Contingent upon consummation of the Merger, Delmarva Power will use its best efforts to hire at least 83 full-time employees in Delaware into Local 1238 and Local 1307 and will do so within two years of Merger consummation. Those 83 bargaining-unit employees will not be among the 25 Delmarva Power positions that may be involuntarily reduced due to the Merger integration process in years three through five following the closing of the Merger.

**Paragraph 8 (Workforce Development Initiative) of Settlement Agreement**

Upon consummation of the Merger, Exelon will initiate a workforce development effort that will partner with Delaware Technical and Community College, Delaware State University, the United Way, the Boys and Girls Club of Delaware, and the Forum to Advance Minorities in Engineering (“FAME”). Exelon will implement and fund this program via a \$2.0 million grant over four years, with the objective of providing a pipeline of trained, “job-ready” Delawareans in the areas of energy efficiency, renewable energy and Science, Technology, Engineering and Math (“STEM”) related fields. Specifically, the initiative will include: (1) a career pathways program at Delaware Technical and Community College to help develop the skills required to support careers in energy efficiency for high school and college level students; (2) a career pathways program at Delaware State University to support careers in the field of renewable energy for high school and college level students; (3) scholarships for high school students participating in STEM competitions in Boys and Girls Clubs in Delaware and for FAME students; and (4) enhanced summer internship opportunities for high school students. These initiatives, where possible, will leverage and support the current statewide Success Pathways and Roads to Careers (“SPaRC”) partnership between the business community, the non-profit community, the Delaware Economic Development Office, the Delaware Department of

Education and the Delaware Department of Labor, and will also seek to embed opportunities for individuals with disabilities to participate.



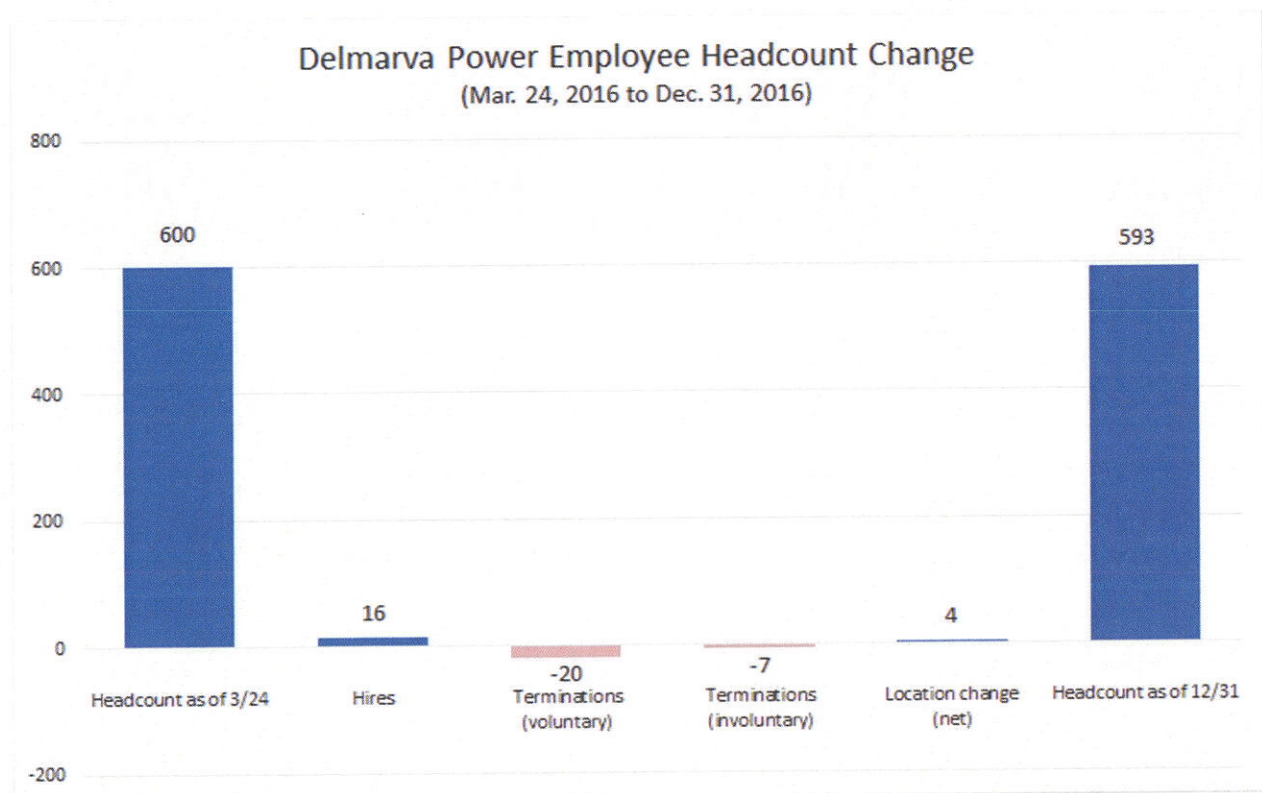
## 2 Delmarva Power Employment Levels

Delmarva Power headcount totaled 600 employees as of March 24, 2016 (i.e., Merger Day 1) and totaled 593 employees on December 31, 2016, a net decrease of 13 employees. As shown in Figure 1 below, Delmarva Power headcount during this time period changed as a result of:

- 16 hires;
- 27 terminations, of which 20 were voluntary<sup>2</sup> and 7 were involuntary; and
- a net number of 4 employees moving to a Delmarva Power job location in Delaware from outside the State or from another Pepco Holdings (“PHI”) company.

These changes in Delmarva Power headcount over the reporting period are broken out by EEOC job classification code in Table 3 below.

*Figure 1: Delmarva Power Employee Headcount Change during Reporting Period*



<sup>2</sup> Voluntary terminations account for employees who leave Delmarva as a result of retirement, personal/family reason, or promotion/opportunity with a competitor.

Table 3: Delmarva Power Employee Headcount Change by EEOC Code

EEOC Code	Headcount as of 3/24	Attrition				Hires	Location Change	Headcount as of 12/31
		Merger Related		Non-Merger Related				
		Vol.	Invol.	Vol.	Invol.			
Local 1238	355	-	-	-9	-4	9	2	353
Craft Workers (skilled)	217			-6	-1	1	5	216
Laborers (unskilled)	1							1
Office and Clerical	68			-2		1	2	69
Operatives (semi-skilled)	30				-2	5	-6	27
Service Workers	4					1		5
Technicians	35			-1	-1	1	1	35
Local 1307	56	-	-	-4	-	2	5	59
Craft Workers (skilled)	36			-4			6	38
Office and Clerical	8					2	-2	8
Operatives (semi-skilled)	4						1	5
Technicians	8							8
Management	189	-3	-1	-4	-2	5	-3	181
Office and Clerical	8	-1						7
Officials and Managers	68	-2		-2			-3	61
Professionals	113		-1	-2	-2	5	2	113
Delmarva Power Total	600	-3	-1	-17	-6	16	4	593

Further discussion of employee hires, terminations, and location changes is provided in the sections that follow.

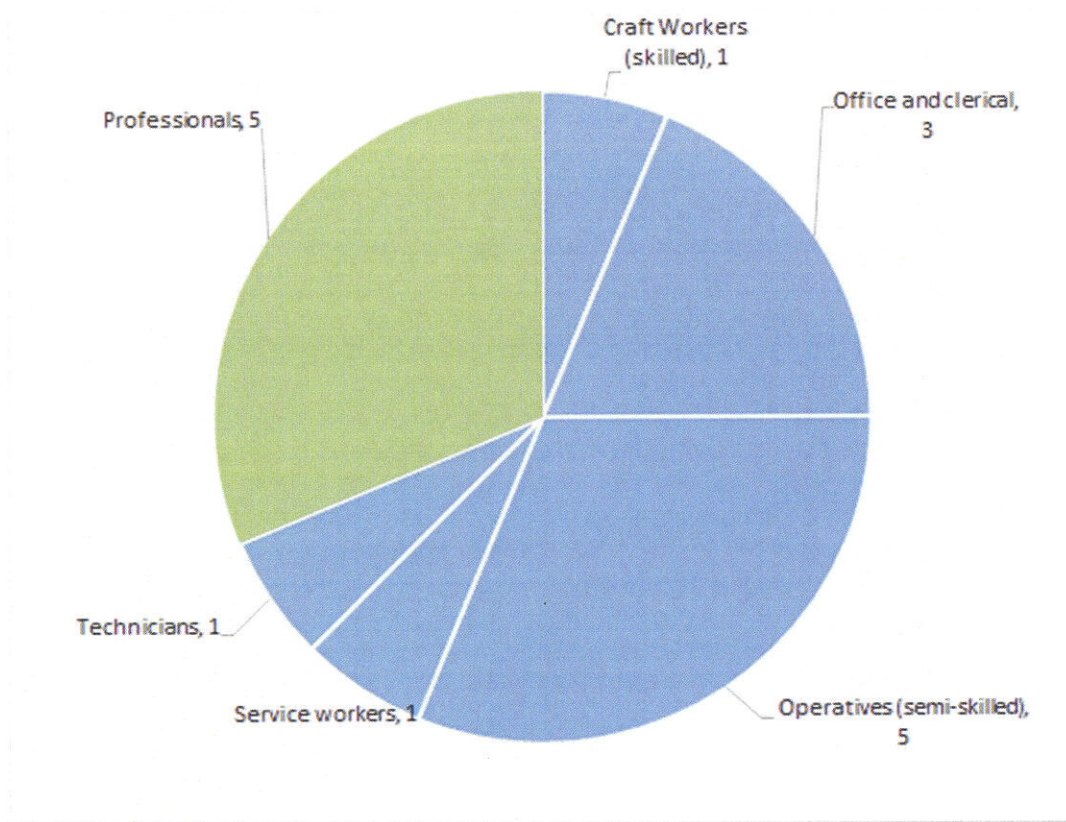
## 2.1 Employee Hires

Combined union hires (e.g., inclusive of Local 1238 and Local 1307), shown in blue in Figure 2 below, totaled 11 employees during the March 24 through December 31 reporting period in 2016. Employees falling into the Operatives (semi-skilled) and Office and Clerical EEOC codes accounted for seventy-three percent (73%) of union hires, totaling 8 employees hired, while there was 1 employee each hired as a Craft Worker (skilled), Service Worker and Technician. The 11 union employees hired through December 31 account for 13% percent of the 83 employees that Delmarva Power must use its best efforts to hire into Local 1238 and Local 1307 within two years of Merger consummation.

There were 4 Professional management employees hired, shown in green in Figure 2.



Figure 2: 2016 Delmarva Power Hires by EEOC Code (Mar. 24 – Dec. 31)



As shown in Table 4 below, for each union and management employee hired there were, on average:

- 31.7 union applicants and 13.2 management applicants;
- 4.5 union applicants and 0.0 management applicants were tested; and
- 3.7 union applicants and 1.0 management applicants were interviewed.

Table 4: Average Number of Applicants, Interviews and Tests Administered for Each Employee Hired

EEOC Code	Total Hires	Average for Every Employee Hired		
		Applicants	Applicants Tested	Applicants Interviewed
<b>Combined Union (Local 1238 and Local 1307)</b>	<b>11</b>	<b>31.7</b>	<b>4.5</b>	<b>3.7</b>
Craft Workers (skilled)	1	20.0	-	4.0
Laborers (unskilled)	-	-	-	-
Office and Clerical	3	40.0	1.3	4.7
Operatives (semi-skilled)	5	31.4	8.4	3.0
Service Workers	1	22.0	-	5.0
Technicians	1	30.0	4.0	3.0
<b>Management</b>	<b>5</b>	<b>13.2</b>	<b>-</b>	<b>1.0</b>
Office and Clerical	-	-	-	-
Officials and Managers	-	-	-	-
Professionals	5	13.2	-	1.0
<b>Delmarva Power Total</b>	<b>10</b>	<b>26.1</b>	<b>3.3</b>	<b>3.1</b>

## 2.2 Employee Attrition

As shown in Table 3 above, in the introduction to Section 2, Delmarva Power lost 27 employees to attrition in the State during the March 24 through December 31 reporting period in 2016.

- Sixty-three percent (63%) of the attrition, or 17 employees, left voluntarily and unrelated to the Merger.
  - See Table 5 below for a breakout of these terminations by EEOC code.
- 5 employees were terminated involuntarily and unrelated to the Merger due to rules violations.
  - 1 union Craft Worker (skilled)
  - 2 union Operatives (semi-skilled)
  - 1 union Technician
  - 1 management Professional
- 1 employee was terminated involuntarily and unrelated to the Merger due to unsatisfactory performance.
  - 1 management Professional
- 2 employees chose voluntary termination as a result of the Merger via self-identified retirement..
  - 1 management Office and Clerical
  - 1 management Official and Manager
- 1 employee chose voluntary termination as a result of the Merger via deferred retirement.
  - 1 management Official and Manager
- 1 termination was involuntary as a result of the Merger.
  - 1 management Professional



Table 5: Delmarva Power Voluntary Attrition Not Related to the Merger (by Cause)

Non-Merger Voluntary Attrition				
EEOC Code	Retired	Personal/ Family Reason	Promo/ Opp. w/ Comp.	Non- Merger Total
<b>Combined Union (Local 1238 and Local 1307)</b>	<b>12</b>	<b>1</b>	<b>-</b>	<b>13</b>
Craft Workers (skilled)	9	1		10
Laborers (unskilled)				-
Office and Clerical	2			2
Operatives (semi-skilled)				-
Service Workers				-
Technicians	1			1
<b>Management</b>	<b>2</b>	<b>2</b>	<b>-</b>	<b>4</b>
Office and Clerical				
Officials and Managers	2			2
Professionals		2		2
<b>Delmarva Power Total</b>	<b>14</b>	<b>3</b>	<b>-</b>	<b>17</b>

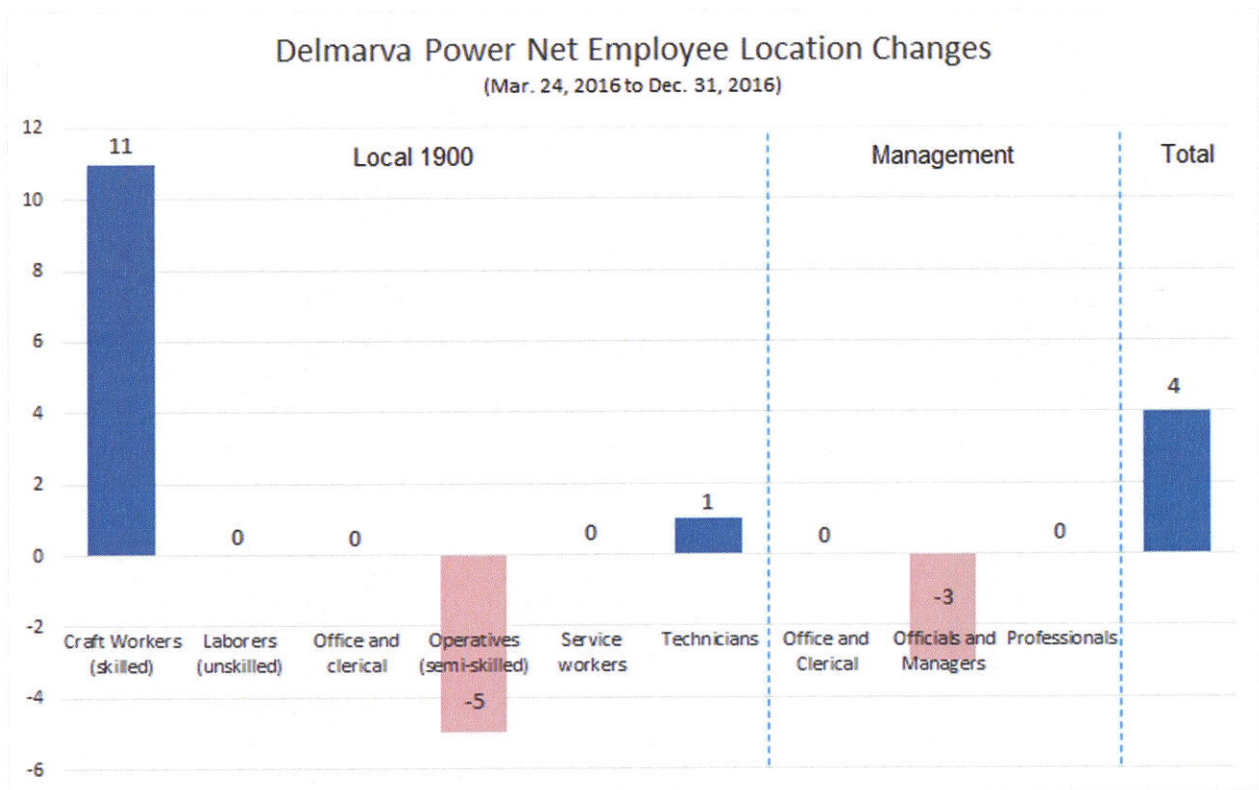
As shown in Table 5, 14 of the 17 (or 82%) voluntary terminations not related to the Merger were retirements, of which over 64% of these were union employees falling under the Craft Workers (skilled) category. This highlights the need for Delmarva Power to maintain a candidate pipeline consisting of skilled candidates in order to assure the Company maintains these critical skills. Section 3 below highlights the workforce development initiatives that Delmarva Power currently undertakes and has recommended for implementation to promote a robust candidate pipeline.

## 2.3 Employee Work Location Changes

Employee work location changes impacted employee headcount at Delmarva Power. Headcount at Delmarva Power was increased by a net number of 4 employees as a result of employee movement within the family of PHI companies over the reporting period (see Figure 3 below).

- A net number of 7 Local 1238 and Local 1307 employees moved to Delmarva Power from a location outside Delaware and/or from a different company within PHI. Combined Local 1238 and 1307 employee location changes were comprised of 11 net Craft Workers (skilled) and 1 net Technician employee additions, and 5 net Operatives (semi-skilled) reductions.
- A net number of 3 management employees left Delmarva Power for a location outside Delaware and/or for a different company within PHI.

Figure 3: 2016 Delmarva Power Employee Location Changes by EEOC Code



## 2.4 Employment Trends in Early 2017

Between December 31, 2016 and February 28, 2017 Delmarva Power's employee headcount increased by 4 to reach a total of 597 employees. A total of 29 employees were hired over this timeframe, 14 employees were lost to voluntary attrition, 2 employees were involuntarily terminated, and a net number of 9 employees relocated to a work location outside Delaware or to another PHI company (see Table 6 below).

26 of the 29 employees hired at Delmarva Power through the end of February were Local 1238 and Local 1307 union employees, bringing the total number of union employees hired since the Merger to 37, or 45% of the 83 employees that Delmarva Power must use its best efforts to hire into Local 1238 and Local 1307 in Delaware within two years of Merger consummation.



Table 6: 2017 Delmarva Power Employee Headcount Change by EEOC Code

EEOC Code	Headcount as of 12/31/16	Attrition				Hires	Location Change	Headcount as of 2/28/17
		Merger Related		Non-Merger Related				
		Vol.	Invol.	Vol.	Invol.			
Local 1238	353	-	-	-9	-2	24	-6	360
Craft Workers (skilled)	216			-4		1		212
Laborers (unskilled)	1							1
Office and Clerical	69			-2			-2	65
Operatives (semi-skilled)	27			-2	-2	24	-4	43
Service Workers	5							5
Technicians	35			-1				34
Local 1307	59	-	-	-2	-	2	-1	58
Craft Workers (skilled)	38			-2			-1	35
Office and Clerical	8							8
Operatives (semi-skilled)	5					2		7
Technicians	8							8
Management	181	-	-	-3	-	3	-2	179
Office and Clerical	7			-1				6
Officials and Managers	61			-2		1		60
Professionals	113					2	-2	113
Delmarva Power Total	593	-	-	-14	-2	29	-9	597

### 3 Workforce Development

The electric utility industry as a whole, and Delmarva Power in particular, faces a series of challenges to maintain an adequate, knowledgeable workforce, capable of delivering quality and reliable service to their customers. The aging American workforce has emerged as a critical issue facing utilities across the country, and the Company is faced with the challenge of finding qualified applicants in and around Delaware to fill open positions.

The impact of the aging workforce has been particularly acute within the union ranks of the Delmarva Power workforce in Delaware. As discussed in Section 2.2 of this Report, union positions in Delaware accounted for 13 of the 17 employees who left due to voluntary attrition not related to the Merger between March 24, 2016 and December 31, 2016, with 64% of Delmarva Power's voluntary attrition in Delaware not related to the Merger accounted for by retirements of Craft Workers (skilled) union employees.

Delmarva Power recognizes that it needs to maintain a talent pipeline in order to develop qualified candidates to fill these vacated union field operation positions and other job openings while meeting Company diversity and the goals of the Merger Commitments. A comprehensive approach to developing a healthy pipeline over the near-term, mid-term and long-term will allow the Company to raise its profile among potential candidates within Delaware and surrounding regions, while developing and nurturing partnerships and relationships with government and private organizations that seek to develop workers' skills. This will allow Delmarva Power to address identified skill gaps in candidates in order to align them with organizational talent needs, allow for targeted diversity recruitment, and increase awareness and the amount of female candidates.

Furthermore, Delmarva Power realizes employees must be offered opportunities for growth in order to retain a skilled workforce. As described in Section 3.4 below, PHI utilizes a series of initiatives intended on promoting inclusion, education and opportunities for growth in the Company.

#### 3.1 Near-Term Workforce Pipeline Initiatives

##### 3.1.1 Delmarva Power Outreach Activities

Throughout 2016, recruiters engaged in outreach in Delaware focusing on interactions with potential candidates and members of organizations involved with placing candidates. As shown in Table 7 below, the majority of this outreach was conducted through job fair participation and by holding meetings with groups of potential candidates.

*Table 7: 2016 Recruitment Outreach Activities*

Date	Organization	Activity
Jan. 6	Indeed.com	Website
Jan. 8	Requisition 15283 (3 Indeed Resumes)	Email
Jan. 13	Veteran Outreach Ministries (VOM)	Email



Date	Organization	Activity
Jan. 20	Delaware Design-Lab School	In-Person Meeting
Jan. 26	Howard High School of Technology	Other
Jan. 29	Wilmington Charter School	In-Person Meeting
Feb. 17	Wilmington Job Fair	Job Fair
Feb. 25	University of Delaware	Job Fair
Feb. 27	Veteran Outreach Ministries (VOM)	In-Person Meeting
Feb. 29	SPARC/MOT Charter School	Job Fair
Mar. 7	McKean High School - JDG Career Fair	Job Fair
Mar. 10	Del Tech Engineering Technologies Career Expo	Job Fair
Mar. 18	Middletown High School Annual Career Fair	Job Fair
Mar. 19	Building Delmarva Power 2016 Career and Job Fair	Job Fair
Mar. 22	William Penn High School - JDG Event	Job Fair
Mar. 22	Delaware Tech & Community College - Owens Campus	Job Fair
Mar. 22	Generation Program	Email
Apr. 26	The Greater Seaford Chamber of Commerce	Job Fair
Apr. 28	Delaware Congressional Delegation	Job Fair
May 23	Delaware Congressional Delegation	Job Fair
Jun. 29	Hispanic Media / El Sol	Job Fair
Aug. 6	First State Community Action Agency	Community Event
Aug. 13	Eastern Shore Afram Festival	Community Event
Aug. 22	Delegation's Veteran Job Fair	Job Fair
Aug. 27	Father and Family Community Wellness Day	Community Event
Sep. 20	Laurel Public Library	Job Fair
Oct. 6	University of DE	Other
Dec. 8	University of DE	Other

In addition to the direct outreach activities listed above, relationships are also maintained with 242 agencies and organizations across five states and the District of Columbia that receive job postings for

open positions at Delmarva Power (see Table 8 below). A complete list of the 16 agencies that receive job postings in Delaware is included in Appendix A.

*Table 8: Number of Agencies and Organizations Receiving Delmarva Power Job Postings*

Jurisdiction	Agencies/Organizations	
	Count	% of Total
Delaware	16	7%
District of Columbia	79	33%
Maryland	60	25%
New Jersey	30	12%
Pennsylvania	16	7%
Virginia	41	17%
<b>Total</b>	<b>242</b>	

PHI and Delmarva Power employees also serve on the board of directors for a number of organizations in Delaware (see Table 9 below). This allows the Company to, among other things, increase its presence within organizations charged with developing people and the local economy. Where appropriate, the Company can leverage these relationships to identify opportunities for coordinating employment initiatives and candidates for open positions at Delmarva Power.

*Table 9: Examples of PHI and Delmarva Power Representation on Boards in Delaware*

Select Board Memberships
American Heart Association
American Red Cross of the Delmarva Peninsula
The Delaware Business Roundtable
Delaware Community Foundation
Delaware Emergency Food & Shelter
Delaware Interfaith Power & Light
Delaware State Chamber of Commerce-Vice Chair
Delmarva Council Boy Scouts
Emerging Enterprise Center, Inc. (of New Castle County Chamber of Commerce)
Girl Scouts Advisory
Habitat for Humanity of New Castle County, Inc.
Hope Connections for Cancer Support
Jobs Unlimited, Inc.
Junior Achievement – DE



Select Board Memberships
Kingswood Community Center-Advisory Chair
New Castle County Economic Development Council
Public Policy Institute
Reading Assist Institute
The Committee of 100
United Way of DE- Chair
Vision Leadership Coalition of DE
Wilmington Renaissance Corporation
Workforce Development Board- Chair

## 3.2 Mid-Term Workforce Pipeline Initiatives

### 3.2.1 PHI College and High School Internship Programs

The PHI College Internship Program identifies and hires qualified diverse candidates and provides them real-life work experience in each region in which we operate (i.e., Delaware, District of Columbia, Maryland and New Jersey). PHI also provides high school internships in all regions to rising seniors who are interested in STEM, Engineering and Information Technology programs.

Hiring an intern provides a strategic and proactive approach to identifying college talent for future hard-to-fill positions. It also advances PHI's employment brand among high schools, colleges and universities.

PHI has been successful in offering internship opportunities to high school and college students in 2016. A total of 118 interns were hired in various disciplines across PHI, with 1 high school and 35 college students hired for positions in Delaware (see Table 10 below). College interns were pursuing undergraduate and graduate degrees in accounting, business, engineering, information technology and law.

*Table 10: 2016 PHI Internships by Region*

Jurisdiction	Internships		
	High School	College	Total
Delaware	1	35	36
District of Columbia	22	35	57
Maryland	2	10	12
New Jersey	3	10	13
<b>Total</b>	<b>28</b>	<b>90</b>	<b>118</b>

### 3.3 Developing Future Workforce Pipeline Initiatives (Long-Term)

In addition to carrying out the recruiting activities listed in Sections 3.1 and 3.2 of the Report, the Company began exploring targeted development initiatives with the aim of developing the skills required of candidates for jobs at Delmarva Power over the long-term, and promoting employment throughout Delaware. This was carried out in compliance with Paragraph 8 of the Settlement Agreement, which requires Exelon to initiate, implement and fund a workforce development effort over four years that will partner with Delaware Technical and Community College, Delaware State University, the United Way, the Boys and Girls Club of Delaware, and the Forum to Advance Minorities in Engineering (“FAME”). The initiatives included in Table 11 below were identified based on the language of Paragraph 8 in the Settlement Agreement and will be funded using the grant money that Exelon will provide pursuant to Paragraph 8 of the Settlement Agreement.

*Table 11: Workforce Development Initiatives in Delaware*

Initiative	Partner Organization	Funding
Career Pathways Program	Delaware Technical & Community College and Delaware State University	\$720,000 to each institution
Youth Workforce Development	United Way	\$360,000
High School Scholarships	Boys and Girls Club in Delaware	\$200,000

It is anticipated that the workforce development initiatives will provide opportunities to increase diversity in the Delmarva Power candidate pool. Delmarva Power has developed a separate report, the 2016 Annual Workforce Diversity Report, highlighting its workforce diversity and inclusion strategies in compliance with Paragraph 5 of the Merger Commitments<sup>3</sup>. This report is included in Appendix B.

The recommended initiatives are discussed in more detail in the sections that follow.

#### 3.3.1 Career Pathways Program at Delaware Technical & Community College

Delmarva Power will support the development of a career pathways program, curriculum and or training program at Delaware Technical and Community College to help develop the skills required to support careers in energy efficiency for high school and college level students. As an energy management professional, students will use their skills to improve energy efficiency in commercial and residential spaces. They will be able to describe and measure energy use in building systems with the goal of evaluating and recommending energy solutions that will result in greater efficiency, energy cost savings, and lower environmental impact. Students will gain the knowledge and skills to prepare themselves for positions such as Energy Auditor, Facility Manager, Control Systems Specialist, and Energy Program Coordinator.

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<sup>3</sup> Paragraph 5 states the following: “Delmarva Power shall continue its commitments to supplier and workforce diversity. Delmarva Power shall, on an annual basis for the first three (3) years following consummation of the Merger, file a report with the Commission by April 1, beginning in 2017, outlining its efforts to promote supplier and workforce diversity during the prior calendar year.” Delmarva Power is creating two separate reports, one covering supplier diversity and another covering workforce diversity to comply with this requirement.



### **3.3.2 Career Pathways Program at Delaware State University**

Delmarva Power will support a career pathways program at Delaware State University (“DSU”) to support careers in the field of renewable energy for high school and college level students. The primary goals of the educational component of the energy and environmental program at DSU are to develop and implement energy and environmental science curricula DSU students, Delaware high schools students, and continuing education and adult learners. In addition to certificate programs, DSU’s initiative will establish new degree programs in energy and environmental science and increase the flexibility and diversity in the degree or minor concentrations in the current curricula, in order to offer students and adult learners a wide range of career options and pathways. The energy education and training will be interdisciplinary, linking the natural sciences, agriculture, business and other disciplines involved in investigating energy and its impact on society and the environment.

### **3.3.3 Youth Workforce Development**

Delmarva Power will work with the United Way to develop a youth workforce development program.

### **3.3.4 High School Scholarships**

Delmarva Power will provide scholarships for high school students participating in STEM competitions in Boys and Girls Clubs in Delaware and for FAME students.

## **3.4 Employee Retention and Development**

### **3.4.1 Employee Resource Groups**

Exelon promotes and supports nine ERGs as part of its strategy to promote a diverse and inclusive work environment. Employees can initiate chapters and volunteer to lead these grass roots groups. This is an initiative that promotes groups that serve as diverse forums for professional development, cultural education, and community involvement and allows employees to seek advice and guidance from their coworkers. As of the end of 2016, there were three chartered ERGs at Delmarva Power:

- Asian American Resource Group (“AARG”);
- Developing Young Professionals (“DYP”); and
- Exelon Militaries Actively Connected (“EMAC”).

The remaining six ERGs that are championed by Exelon Utilities that can be, but have not yet been chartered by Delmarva Power employees include:

- Eco-Team;
- Exelon African-American Resource Alliance (“EAARA”);
- Exelon Network For Awareness Employees Benefiting Leaders and Employees About Disabilities (“ENABLED”);
- Network of Exelon Women (“NEW”);
- Organization of Latino Employees (“OLE”); and
- Pride.

### 3.4.2 Training and Leadership Development

PHI continues to make investments in its workforce to promote employee growth and successfully achieve its business objectives. The training activities at PHI provide vital services that improve human performance through a systematic approach of performance delivery and quality. This model furnishes PHI Electric, Gas and Customer Operations resource areas with employees that have the knowledge, skills, abilities and experiences to ensure safe and reliable performance.

PHI provides a variety of leadership and employee development opportunities to its workforce. PHI also provides leadership training to management employees, field supervisors and crew leaders through its expanded HR leadership development program. PHI has incorporated leadership development courses, assessments and programs to help ensure a robust pipeline of leaders with the skills, competencies and experiences necessary to drive teams forward.

In 2016, PHI invested in training that includes students/employees' time, instructors' time, materials, etc. This involved over 200,000 labor hours and includes the completion of over 80,000 computer-based training ("CBT") and web-based training ("WBT") sessions.

- The PHI training program is centralized in process and decentralized in delivery as a consequence of the over 8,000 square miles and 21 facilities that encompass the PHI service territory. The program covers traditional apprenticeship, regulatory compliance (e.g., OSHA, FERC, NERC, DOT, and EPA) and technical skills training.
- With over 400 current employees involved in apprenticeship programs at PHI, over 300 employees to be hired pursuant to employment related merger commitments in the various jurisdictions in which the PHI companies operate, and the remaining workforce, PHI continues to expand its HR leadership development programs to ensure a robust pipeline of leaders with the skills, competencies and experiences necessary to drive teams forward.

In its effort to align with the Exelon family, Delmarva Power employees with a work location in Delaware completed some of the following training in 2016:

- Workers Lock Out / Tag Out – (259 Delmarva Power employees trained);
- Smith Driving System 4 hour session – (349 Delmarva Power employees trained);
- Smith Driving System 8 hour session including on-the-road training – (100 Delmarva Power employees trained);
- Pre-Qualification Exam ("PQE") – for physical testing as part of the hiring process – over 100 PQE workshops conducted across PHI for Overhead, Underground, and Substations equating to more than 10,000 PHI labor hours;
- Introduction of Comprehensive Injury Solutions physical therapists at all PHI's OH PQE and climbing schools;
- Development and delivery of Mgt. Model CBT – (724 Delmarva Power employees completed course);
- Mgt. Model Road Shows conducted throughout PHI – (194 Delmarva Power leaders attended);
- Total Outage App new application – (70 Delmarva Power employees attended);
- EXC Injury & Illness Reporting CBT – (175 Delmarva Power employees completed);
- EXC Code of Business Training – (4,000+ PHI employees trained);
- PHI Thrive: Supervisor Development Summit – (14 Delmarva Power employees have participated); and



- MARC and consensus/fact finding training – (new training for 2017 and approx. 400 PHI leaders will attend in the year).

These efforts will continue through 2017, with additional training to be added as the companies integrate further.

## 4 Conclusion

Delmarva Power recognizes its importance to the community it serves, and is committed to employing local and diverse talent from the community and will continue to be a trusted community partner. This Report presents the Company's efforts to build an inclusive workforce capable of providing safe, reliable and affordable service to its customers.



## Appendix A: Delaware Agencies Receiving Delmarva Power Job Postings

Agency Name
Career Services
Delaware Center for Horticulture
Delaware Division of Vocational Rehabilitation
Delaware Skills Center
Delaware Technical & Community College Workforce Development
Dover One Stop Career Center
Family Support Center Man and Family Readiness Center
Fox Valley One Stop Career Center
Georgetown American Job Center
Goodwill Of Delaware
Hero 2 Hired Delaware
Latin American Community Center
Opportunity Center Inc. (OCI)
Pencader One Stop Career Center
Service Source Delaware Regional Office
Wilmington Branch of NAACP

## Appendix B: Delmarva Power Workforce Diversity Report



## Executive Summary

This document constitutes the first of three annual reports (the “Report”) presenting the efforts of Delmarva Power & Light Company (“Delmarva Power” or the “Company”) to promote workforce diversity. It has been developed in response to a commitment set forth in Paragraph 5 of Exhibit A to Delaware Public Service Commission Order No. 8952 in Docket No. 14-193, dated October 18, 2016 (the “Merger Commitment”). The Merger Commitment directs Delmarva Power to provide an overview of its efforts to promote both workforce and supplier diversity; a separate report is being filed to present the Company’s efforts to promote supplier diversity. This Report addresses workforce diversity.

This Report provides an overview of the age and race of Delmarva Power employees and the existing and planned efforts of Pepco Holdings LLC (“PHI”) to promote diversity at each of their operating utilities, including Delmarva Power. The employee demographic data included in this Report is comprised solely of full-time or part-time Delmarva Power employees with a work location in Delaware.

### **Delmarva Power Workforce Diversity Statistics**

Employees at Delmarva Power are predominantly Black/African American or White, with both races representing a combined 94.3% of the total workforce (13.2% Black/African American and 81.1% White) in Delaware as of December 31, 2016. The remainder of the Delmarva Power workforce is comprised of Hispanic (3.0%), Asian/Pacific Islander (1.0%), American Indian or Alaskan Native (1.0%), and two or more races (0.7%). Men accounted for 84.3% of the workforce and women 15.7% (see Table 1 below).

Table 1: Delmarva Power 2015 and 2016 Year-End Employee Demographics

Gender	Race	December 31, 2015		December 31, 2016	
		Count	% of Total Employees	Count	% of Total Employees
Female	Black or African American	22	3.6%	21	3.5%
	White	62	10.2%	63	10.6%
	Asian/Pacific Islander	1	0.2%	0	0.0%
	Hispanic	4	0.7%	4	0.7%
	American Indian or Alaskan Native	1	0.2%	2	0.3%
	Two or more races	3	0.5%	3	0.5%
	<b>Female Subtotal</b>	<b>93</b>	<b>15.3%</b>	<b>93</b>	<b>15.7%</b>
Male	Black or African American	61	10.0%	57	9.6%
	White	427	70.3%	418	70.5%
	Asian/Pacific Islander	7	1.2%	6	1.0%
	Hispanic	13	2.1%	14	2.4%
	American Indian or Alaskan Native	5	0.8%	4	0.7%
	Two or more races	1	0.2%	1	0.2%
	<b>Male Subtotal</b>	<b>514</b>	<b>84.7%</b>	<b>500</b>	<b>84.3%</b>
Combined Male and Female	Black or African American	83	13.7%	78	13.2%
	White	489	80.6%	481	81.1%
	Asian/Pacific Islander	8	1.3%	6	1.0%
	Hispanic	17	2.8%	18	3.0%
	American Indian or Alaskan Native	6	1.0%	6	1.0%
	Two or more races	4	0.7%	4	0.7%
<b>Delmarva Power Total</b>		<b>607</b>		<b>593</b>	

The breakdown of Delmarva Power employees who are Black/African American and White (who account for 94.3% of the workforce) falls within two percentage points of the population at large in the State of Delaware. Combined, these two races account for 92.8% of the total population in the State.

- Blacks/African Americans alone account for 22.4% of the Delaware population and 13.2% of the Delmarva Power workforce.
- Whites alone account for 70.4% of the Delaware population and 81.1% of the Delmarva Power workforce.

#### **Delmarva Power Workforce Diversity Initiatives**

In 2016, PHI worked to develop a formal structure and approach to promoting workforce diversity initiatives that drew on, among other things, the experience of and successful practices in place at



Exelon. This culminated with the implementation of the PHI Diversity and Inclusion Council (the “Council”) and the initiation of Employee Resource Group (“ERG”) chapters at Delmarva Power.

The Council, which was launched in 2016, is charged with developing the Company’s diversity and inclusion strategies and supporting its implementation, among other things. The Council worked to develop PHI’s 2017 Diversity and Inclusion Plan, which defines the means by which the Company intends to promote its diversity and inclusion strategy across six key areas:

- Talent acquisition – hiring diverse candidates where applicable;
- Employee advancement and succession – maintain and promote a diverse group of internal candidates, where applicable;
- Employee retention – support employee resource groups and mentoring programs to further employee development;
- Inclusive leadership – promote leadership’s understanding and growth through various events;
- Pay equity – implement the White House Equal Pay Initiative and maintain competitive compensation; and
- Company profile – promote diversity and inclusion externally through the promotion of diverse suppliers and community engagement.

## Contents

Executive Summary .....	2
1 Introduction.....	6
1.1 Terms and Conditions for Merger Driving this Report .....	6
1.2 Scope of this Report .....	6
2 Delmarva Power 2016 Workforce Diversity .....	8
2.1 Workforce Diversity Statistics .....	8
2.2 Workforce Diversity Initiatives .....	10
2.2.1 PHI Diversity and Inclusion Council .....	10
2.2.2 Employee Resource Groups.....	12
3 2017 Diversity Initiatives .....	13
3.1 2017 Diversity and Inclusion Plan.....	13
4 Conclusion .....	14



# 1 Introduction

## 1.1 Terms and Conditions for Merger Driving this Report

This document presents the Delmarva Power & Light Company (“Delmarva Power” or the “Company”) 2017 Annual Workforce Diversity Report (the “Report”), which has been developed in compliance with a commitment set forth in Paragraph 5 of Exhibit A to Delaware Public Service Commission Order No. 8952 in Docket No. 14-193, dated October 18, 2016 (the “Merger Commitment”).

The Merger Commitment provides as follows:

Delmarva Power shall also continue its commitments to supplier and workforce diversity. Delmarva Power shall, on an annual basis for the first three (3) years following consummation of the Merger, file a report with the Commission by April 1, beginning in 2017, outlining its efforts to promote supplier and workforce diversity during the prior calendar year.

A separate report is being filed to present Delmarva Power’s efforts to promote supplier diversity.

## 1.2 Scope of this Report

Delmarva Power operates in a world rich in diversity – in race, ethnicity, gender, sexual orientation, gender identity, disability, religious affiliation, experience and thought. Diversity and inclusion (“D&I”) at Delmarva Power strengthens its ability to achieve its vision by:

- Integrating D&I as a business imperative and a core value;
- Attracting, retaining and advancing employees who will best serve and represent our customers, partners and community; and
- Providing a workplace that ensures employees respect each other and that each employee has the opportunity to grow and contribute at their greatest potential.

PHI establishes the D&I goals for its utility operating companies, including Delmarva Power, and has developed a number of strategies to achieve them. Leveraging D&I at PHI and the operating utilities is critical to its business because experience has shown that diverse and inclusive companies are more innovative, more dynamic and more attractive to high functioning talent. Promoting diversity in the workplace is about more than social responsibility; it enhances the Company’s brand, engages talented employees, and helps to foster innovation and creativity.

The D&I goals established by PHI for Delmarva Power in 2016, or those under development for implementation in 2017, cover a broad spectrum, including the following:

- **Diverse and Inclusive Workforce** to attract, develop and retain talent of all backgrounds that reflects the realities of the Company’s marketplace, communities and the relevant labor market;
- **Inclusive workplace** to create a culture of inclusion through consistent and sustained execution of the D&I strategy, including progress measurement for results;
- **Diverse Suppliers** to achieve a diverse range of suppliers, vendors and service providers;
- **Community Relationships** to ensure that PHI leadership has a significant reach and visible presence in a strategic core group of diverse community based organizations; and

- **Leader in Diversity and Inclusion:** to earn PHI recognition as a D&I leader by its employees, local, regional and national thought leaders, and the community it serves.

This Report presents metrics on Delmarva Power workforce diversity through December 31, 2016, the strategies employed in 2016 to facilitate D&I, and those strategies under development to drive D&I in 2017 and beyond.

For the purposes of this Report as it pertains to information provided about the gender and racial composition of the Delmarva Power workforce, a Delmarva Power employee is any full-time or part-time employee with a work location in Delaware. Diversity data for the following are considered outside the scope of the Merger Commitment and, therefore, not included in this Report:

- Temporary employees, interns, and employees on long-term disability at Delmarva Power; and
- Employees of Pepco Energy Services, PHI Service Company, Exelon or any other related companies.

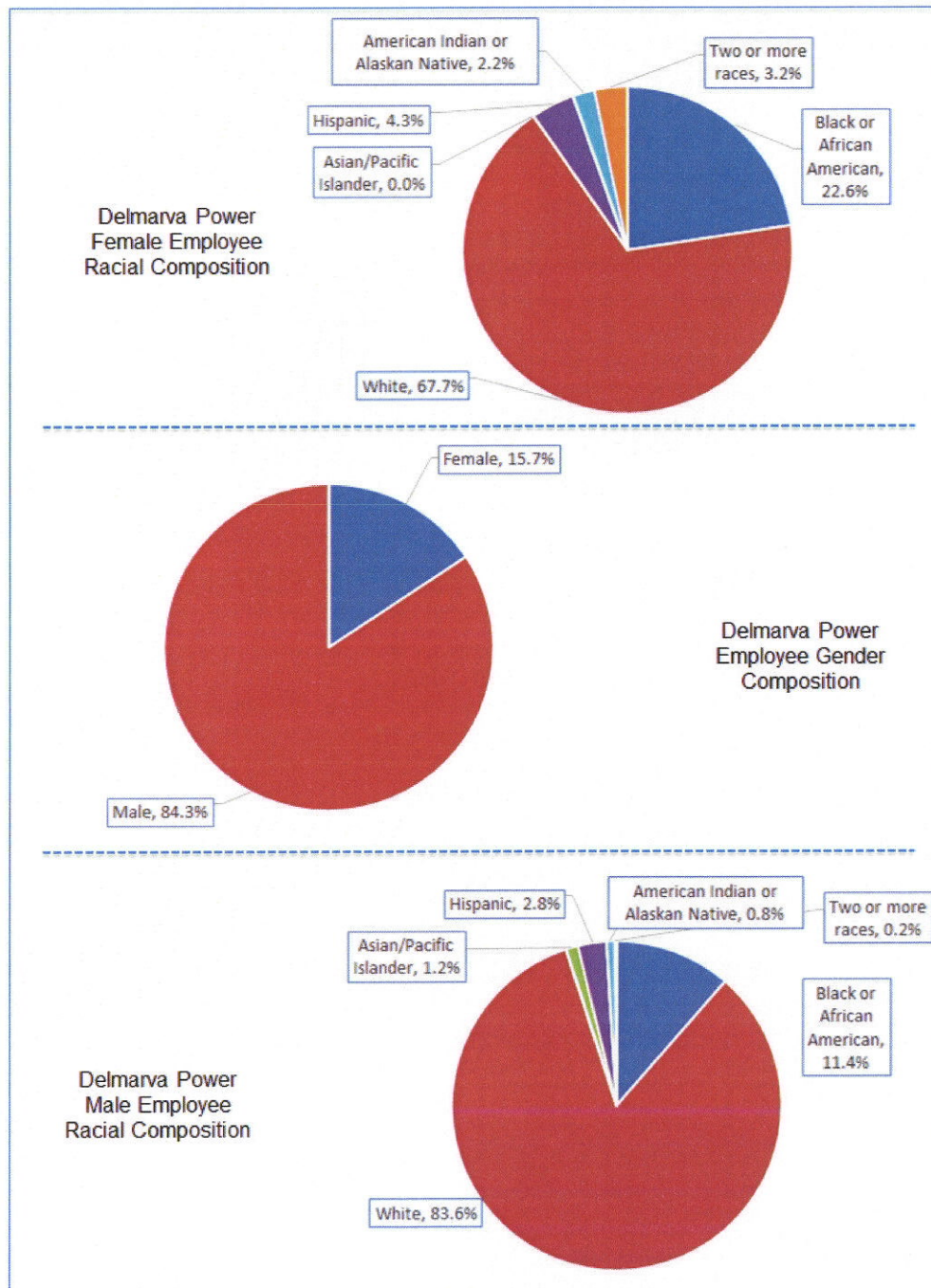


## 2 Delmarva Power 2016 Workforce Diversity

### 2.1 Workforce Diversity Statistics

An overview of the gender and race of Delmarva Power employees based in Delaware as of December 31, 2016, is shown in Figure 1 below.

Figure 1: Delmarva Power Employee Gender and Racial Composition



As shown in more detail in Table 2 below, employees at Delmarva Power are predominantly Black/African American or White, with both races representing a combined 94.3% of the total workforce (13.2% Black/African American and 81.1% White) in Delaware as of December 31, 2016. The remainder of the Delmarva Power workforce is comprised of Hispanic (3.0%), Asian/Pacific Islander (1.0%), American Indian or Alaskan Native (1.0%), and two or more races (0.7%). Men represented 84.3% of the workforce and women 15.7%.

The breakdown of race by male and female employees follows the same pattern as for the Company overall, and persists without significant change from year-end 2015 to year-end 2016.<sup>1</sup>

*Table 2: Delmarva Power 2015 and 2016 Year-End Employee Demographics*

Gender	Race	December 31, 2015		December 31, 2016	
		Count	% of Total Employees	Count	% of Total Employees
Female	Black or African American	22	3.6%	21	3.5%
	White	62	10.2%	63	10.6%
	Asian/Pacific Islander	1	0.2%	0	0.0%
	Hispanic	4	0.7%	4	0.7%
	American Indian or Alaskan Native	1	0.2%	2	0.3%
	Two or more races	3	0.5%	3	0.5%
	<b>Female Subtotal</b>	<b>93</b>	<b>15.3%</b>	<b>93</b>	<b>15.7%</b>
Male	Black or African American	61	10.0%	57	9.6%
	White	427	70.3%	418	70.5%
	Asian/Pacific Islander	7	1.2%	6	1.0%
	Hispanic	13	2.1%	14	2.4%
	American Indian or Alaskan Native	5	0.8%	4	0.7%
	Two or more races	1	0.2%	1	0.2%
	<b>Male Subtotal</b>	<b>514</b>	<b>84.7%</b>	<b>500</b>	<b>84.3%</b>
Combined Male and Female	Black or African American	83	13.7%	78	13.2%
	White	489	80.6%	481	81.1%
	Asian/Pacific Islander	8	1.3%	6	1.0%
	Hispanic	17	2.8%	18	3.0%
	American Indian or Alaskan Native	6	1.0%	6	1.0%
	Two or more races	4	0.7%	4	0.7%
<b>Delmarva Power Total</b>		<b>607</b>		<b>593</b>	

<sup>1</sup> Employment race and gender figures presented in this Report are as of year-end and may differ from figures presented to the Commission in other proceedings because, under other requirements, Delmarva Power typically presents employment diversity figures for the end of the Company's fiscal year, which occurs on July 31.



- Delmarva Power strives to maintain a diverse and inclusive workforce that is representative of the community in which it operates. Data for Delaware (see Blacks/African Americans and Whites account for 92.8% of the Delaware population and 94.3% of the Delmarva Power workforce.
  - Blacks/African Americans alone account for 22.4% of the state population and 13.2% of the Delmarva Power workforce.
  - Whites alone account for 70.4% of the state population and 81.1% of the Delmarva Power workforce.

Table 3 below) shows that the population within the State is estimated to be comprised primarily of Black/African American and White residents. The breakdown of Delmarva Power employees who are Black/African American and White falls within eleven percentage points of the population at large in the State in the respective race categories.

- Blacks/African Americans and Whites account for 92.8% of the Delaware population and 94.3% of the Delmarva Power workforce.
  - Blacks/African Americans alone account for 22.4% of the state population and 13.2% of the Delmarva Power workforce.
  - Whites alone account for 70.4% of the state population and 81.1% of the Delmarva Power workforce.

*Table 3: Delaware Demographics (Estimated as of July 1, 2015)<sup>2</sup>*

Race	% of Total Population
Black or African American	22.4%
White	70.4%
Asian/Pacific Islander	4.0%
Hispanic	n/a <sup>3</sup>
American Indian or Alaskan Native	0.7%
2 or more races	2.5%

## 2.2 Workforce Diversity Initiatives

In 2016, PHI worked to develop a formal structure and approach to promoting workforce diversity initiatives that drew on, among other things, the experience of and successful practices in place at Exelon. This culminated with the implementation of the PHI Diversity and Inclusion Council (the “Council”) and the initiation of Employee Resource Group (“ERG”) chapters at Delmarva Power.

### 2.2.1 PHI Diversity and Inclusion Council

The Council, which was launched in 2016 by PHI’s CEO, David Velazquez, is charged with:

<sup>2</sup> Data source is the United States Census Bureau at the following web address:

<https://www.census.gov/quickfacts/table/PST045216/10>

<sup>3</sup> Hispanics may be of any race, so are included in the applicable race categories in this Table. A total of 9.0% of Delaware residents are estimated to identify as Hispanic, of which 7.2% are included in the White category.



- Developing PHI's D&I strategies (workforce, workplace, supplier, community relationships and leadership);
- Supporting, managing and monitoring implementation; and
- Developing and implementing the infrastructure for federal affirmative action compliance and reporting.

The Council is headed by the CEO and is comprised of employees, including senior leaders and executives, across all PHI utilities. The key objectives of the Council are to:

- Integrate and align PHI's existing plans and programs with Exelon's D&I strategy;
- Maintain and build a diverse (age, gender, ethnicity) candidate pool through pipeline for success;
- Establish a diverse and inclusive workplace;
- Ensure PHI meets its workforce development merger commitments; and
- Establish a baseline for employee engagement based on PHI's first employee survey.

The Council developed PHI's first Diversity and Inclusion Plan in 2017 (see Section 3.1 of this Report) in order to establish PHI's D&I goals in the coming year, establish metrics to measure progress toward those goals, and identify strategies for achieving them. A complete list of the Council's purview and responsibilities is included in Table 4 below.

*Table 4: PHI Diversity and Inclusion Council Responsibilities*

Council Responsibilities	
1.	Sponsor executive leadership discussion and ensure alignment regarding D&I strategies, goals and results.
2.	Sponsor and review activities associated with the Workforce Development Council and ensure efforts are coordinated across the enterprise.
3.	Counsel and support executive and business unit implementation of D&I strategies, including business plan integration.
4.	Communicate corporate wide D&I messages.
5.	Provide D&I management and employee support, including education and awareness.
6.	Train and support facilitators in development and delivery of D&I workshops and other D&I tools.
7.	Develop and support appropriate D&I education modules in all leadership development programs (SDP).
8.	Corporate-wide, provide and otherwise be clearing house for materials and other tools for ongoing D&I discussions.
9.	Direct and support PHI D&I council (which includes all level of PHI Leadership and employees of all backgrounds) and employee network group activities.
10.	In partnership with Operating Companies, corporate relations, external affairs and recruiting, develop and support D&I outreach (Recruiting and Community).

Council Responsibilities
11. Support development and implementation of D&I metrics and reporting at Operating Company and executive levels.
12. Perform applicable compliance enforcement activities and reporting (AA, EEO-1, Vets 100).
13. Affirmative Action Plans and Affirmative Action Plan action oriented plan development, analysis and support.

### 2.2.2 Employee Resource Groups

Exelon promotes and supports nine ERGs as part of its strategy to promote a diverse and inclusive work environment. Employees can initiate chapters and volunteer to lead these grass roots groups. This is an initiative that promotes groups that serve as diverse forums for professional development, cultural education, and community involvement and allows employees to seek advice and guidance from their coworkers. As of the end of 2016, there were four chartered ERGs at Delmarva Power:

- Asian American Resource Group ("AARG");
- Developing Young Professionals ("DYP"); and
- Exelon Militaries Actively Connected ("EMAC").

The remaining six Exelon-sponsored ERGs that can be, but have not yet been, chartered by Delmarva Power employees include:

- Eco-Team;
- Exelon African-American Resource Alliance ("EAARA");
- Exelon Network For Awareness Employees Benefiting Leaders and Employees About Disabilities ("ENABLED");
- Network of Exelon Women ("NEW");
- Organization of Latino Employees ("OLE"); and
- Pride.

## 3 2017 Diversity Initiatives

### 3.1 2017 Diversity and Inclusion Plan

PHI's D&I Council has developed the 2017 Diversity and Inclusion Plan (the "2017 Plan"). The 2017 Plan looks to build on past D&I successes at PHI while addressing known challenges and establishing beneficial opportunities. The 2017 Plan addresses six main points:

1. **Talent Acquisition**: PHI is looking to hire diverse union and professional employees where possible, and utilize its internship programs to develop a diverse candidate pipeline.
2. **Advancement & Succession**: PHI wants to maintain and promote a diverse group of internal candidates for promotion, where applicable, and encourage employee rotation throughout the organization to allow employees the opportunity to develop a broad skill set.
3. **Retention**: PHI will support employee resource groups to provide forums for diverse candidates to further their professional development and education, reinstitute a mentoring program to provide employees an internal resource in which to learn and advance their development, and expand the reward and recognition program.
4. **Inclusive Leadership**: PHI will continue to implement D&I Council initiatives and carry out their responsibilities as noted in the previous Section of this Report, host events such as an external speaker series to facilitate leadership's understanding and growth, and promote 100% leadership participation in the Value of Mutual Respect course and other training opportunities.
5. **Pay Equity**: PHI will implement the White House Equal Pay Initiative and review compensation analytics in order to maintain competitive compensation packages.
6. **Company Profile**: PHI will seek to continue to increase the number of diverse suppliers, where possible, and engage the community and customer base via communications, events and awards in order to promote D&I.



## 4 Conclusion

Delmarva Power recognizes the importance of maintaining a workforce representative of the community in which it serves, and is committed to employing local and diverse talent. This Report presents the Company's efforts to build a diverse and inclusive workforce and the initiatives being carried out to ensure Delmarva Power's success in this endeavor going forward.